through innovative TNE models.

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Another Missed Opportunity? Underfunding Australian Higher Education

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The recent set of budget reforms proposed by the Australian federal government will only compound the existing funding problems experienced by the higher education sector. Some of the worst cuts proposed by a previous minister have now been abandoned, an acknowledgement that they would never gain the approval of parliament. But it is hard to disagree with the conclusion of the vice-chancellor of a major Australian university that, while that particular crisis has been averted, the current set of proposals represent another missed opportunity to adequately fund higher education.

Government funding to the sector in Australia has fallen by 4 percent over the decade 1996-2006, while OECD data reveal that funding for higher education across member countries has risen by an average of 49 percent over the same period. There was an expectation within the higher education sector that the new prime minister, a supposed reformer whose campaign centerpiece was the need for the nation to prioritize science and innovation, would substantially raise funding for higher education and research. With at least two Nobel prizes in medicine in recent times, and internationally leading achievements in diverse fields such as solar cell technology, biotechnology, and quantum computing, it could reasonably be expected that government would reverse previous funding cuts, adequately fund the sector, and fulfil earlier promises to support the full cost of research. The leading, research-intensive "Group of Eight" universities, for example, which consistently win the lion's share of research funding, had long complained that successive governments' failure to fund the full costs of research meant an increasing pressure on their research budgets.

The Proposed Reforms

Despite such reasonable expectations, the sector was to be sadly disappointed at proposed measures that, rather than redressing past failures, arguably compounded them. A key reform was to reset the balance between public and private debt proportions that supported the longstanding national income-contingent loans scheme. Under existing arrangements, students are liable for 42 percent of the cost of their degree, an amount that is triggered only if the students meet specific conditions: graduating, gaining a job, and earning an amount above an annual income threshold. Once all these conditions are met, graduates pay an additional modest amount of income tax until the debt is cleared. Under the new arrangements, students would pay more, contributing an additional 1.82 percent each year between 2018 and 2021 for an ultimate total of 7.5 percent. This means that from 2021, students would be paying 46 percent, instead of 42 percent, of the costs of their degree.

It remains to be seen if the proposed shift of the cost burden toward students deters some from enrolling, particularly those from the more vulnerable groups in society. Could the proposed reforms make higher education less attractive, and perhaps even prohibitive, for some groups of students, particularly those studying part-time? The architect of the original funding scheme estimated that it should not have a great impact on student debt, adding only about a year to the time it takes students to repay their loans. Much more significant is the substantial reduction in the income threshold at which loan repayments begin—from $55,000 to $42,000—although cuts to the rate of collection of the debt from 4 percent to 1 percent would mean that the effects on most students will be relatively small.

Beyond changes to the student loans scheme, universities would be hit with a direct cut of almost AU$400 million—AU$384.2 million over two years—in the form of an "efficiency dividend" to the Commonwealth Grant Scheme. This so-called efficiency measure is a convenient euphemism for reduced funding, and adds to the ongoing failure by government to fund the full costs of research. If implemented, the proposed cuts would represent an overall decline in government funds of 2.5 percent in 2018 and a further reduction of 2.5 percent in 2019. The full package, it has been estimated, would reduce public funds to the sector by almost AU$2.0 billion over five years from 2016–2017. When combined with changes to the way that university grants would be indexed, it is clear that the intention is that universities would receive a smaller amount of funding per student, and would thus need to do more with less. Clearly, this is no solution to the funding problem; in fact, it would only aggravate a condition under which universities have been languishing for some time.

The Nonreforms

Abandoned in the current set of proposals were the worst elements of the earlier, deregulatory budget for higher education of 2014–15. Among these former proposals, there were to be cuts of around 20 percent to the sector overall, as well as the introduction of a real rate of interest on student debts (currently tied only to the inflation rate). Universities would also have been free to charge any fee they chose for high-demand courses. Some vice-chancellors (largely from the wealthiest institutions) who supported the proposed flexibility to charge higher fees for some courses, may have been privately disappointed. But the large majority of the sector breathed a sigh of relief that these earlier measures, which would have seriously weakened higher education and the national research effort, were abandoned. Even if dropping such measures was only an admission that they were doomed to failure—since the national parliament had consistently refused to accede to their implementation, a potential major funding crisis was averted.

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The Problems of Success

But while the worst effects of earlier proposals were averted, the new budget measures have again failed to address the problem of inadequate funding. The problem is that Australian universities have been too successful, and are being punished for it. By transforming themselves into major engines of export earnings, now earning a collective AU$20 billion annually from international student fees, universities have come to be seen by government as cash cows to be milked at will. Further "efficiency dividends" and a continued failure to fund the full cost of research will only drive universities further in the direction of earning more from international students, to make up for declining government funds. At least one vice-chancellor responded by raising the prospect that enrolling more international students could displace domestic students. This argument has not been raised as part of the national debate over higher education in the past. But the fact that one in four higher education enrollments (one in three at some of the leading universities) is international—the highest rate of any major system worldwide—could, for the first time, be met with popular resistance. While averting the worst elements of earlier proposals, the current set of proposed "efficiency dividends" transfers of more of the financial burden for loans from the state to students themselves. Further, changes to grant funding mechanisms do nothing to address this prospect and only add to the longstanding failure to fund the sector adequately.

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Tempest in the Rankings Teapot: An African Perspective

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It is that season when ranking entities announce their "findings" on the comparative stature of the world's universities. As usual, the "premier" universities remain at the top and the rest are relegated to the bottom—African universities in particular. The "rankers" go about their business, some with audacity, but too often without sufficient concern for veracity, authenticity or integrity in their methodologies and, especially in the case of Africa, without sufficient data.

Facts vs. Perceptions

For the last three years, the University of Kwazulu-Natal in South Africa has been the first in the country in academic productivity, as measured by the Department of Higher Education and Training. The Department undertakes the task of ranking using parameters that meticulously measure research and academic outputs. Yet, according to the newly released QS ranking—which allocates 60 percent of the criteria to academic reputation—the University of Kwazulu-Natal now stands below six other South African universities. This points to a glaring tension between data and dubious assessment based on reputation.

Building Reputation: Unpacking the Numbers

The QS ranking is a mix of survey responses and data across six indicators, compiled and weighted to formulate a final score. It claims that over 70,000 academics and 30,000 employers contribute to the rankings through the QS global surveys. QS states that it analyzes 99 million citations from 10.3 million papers before 950 institutions are ranked.

The *Times Higher Education (THE)* states that their